



| Committee on Finance

Legislature USVI

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- 0:00:00 We'll be right back. We'll be right back. Thank you. Thank you. Thank you. Thank you. We'll be right back. Thank you. Thank you. We'll be right back. We'll be right back. We'll be right back. We'll be right back. We'll be right back. We'll be right back. Thank you. Thank you. Thank you. Thank you. Thank you. Thank you. Thank you. Thank you. We'll be right back. We'll be right back. Thank you. We'll be right back. We'll be right back. We'll be right back. We'll be right back. Thank you. Thank you. We'll be right back. We'll be right back. Thank you. We'll be right back. We'll be right back. Thank you. We'll be right back. Thank you. We'll be right back. Thank you. The committee of finances hereby call to order. Madam Clerk, may I have a roll call please?
- 0:20:25 Senator Marvin A Blyden. Present. Senator Blyden, present. Senator Samuel Carrion. Senator Carrion, absent. Senator Dwayne M. DeGraff. Here. Senator DeGraff, present. Senator Donna A. Fred Gregory. Senator Fred Gregory, absent. Senator Javon E. James Sr. Senator James Sr., absent. Senator Janelle K. Seroux. Present.
- 0:21:00 Senator Seroux. Present. Senator Kurt A. Violet. Here. Senator Violet. Present. Mr. Chair, you have four present, three absent. Thank you, Madam Clerk. Any correspondence? Yes, Mr. Chair. You may proceed. Correspondence dated August 23, 2022. Honorable Kurt Violet, Chairperson, Committee on Finance, Legislature of the Virgin Islands, 3022 Estate, Golden Rock, Christianstead, St. Croix, Virgin Islands. Dear Chairperson Viale, please accept this letter as a formal notice of my late arrival to today's Committee on Finance meeting, which is scheduled to begin at 9 a.m. in the Fritz E. Louettes Conference Room on St. Croix. Please have all circulated documents placed on my desk for immediate review upon my arrival. Thank you for your consideration in this matter. Kindest regards, Donna Fred Gregory, President, 34th Legislature of the Virgin Islands. Please mark Senator Fred Gregory as tardy. Mr. Chair, you have four present, two absent, one tardy.
- 0:22:13 Any more correspondence? No, Mr. Chair. Then we proceed and read the agenda into the record. The Committee on Finance, Fiscal Year 2023, Budget Hearing. for Tuesday, August 23rd, 2022, at 9 a.m. in the Fritz E. Lowe's Legislative

Conference Room, Christianstead St. Croix, U.S. Virgin Islands. The Committee on Finance will receive testimony on the proposed fiscal year 2023 executive budget for the government of the Virgin Islands of the United States. At 9 a.m., the Virgin Islands Lottery. Invited testifiers, Raymond J. Williams, Executive Director. At 12.30 p.m., Casino Control Commission. Invited testifiers, Marvin Pickering, Chairman and Chief Executive Officer. At 2 p.m., the Virgin Islands Waste Management Authority. Invited testifiers, Roger Merritt Jr., Executive Director. Mr. Chair, this concludes the reading of today's agenda. Thank you, Madam Clerk. Good morning to the people of the Virgin Islands. Good morning, colleagues. Good morning to the testifiers. First before us, we have the Virgin Islands Lottery, the executive director, Raymond Williams. I'm going to allow him to put his name and title on the record and then I'll allow the members of his staff to do likewise. Director Williams.

0:23:38 Good morning, Raymond J. Williams, executive director, VI Lottery. Next. Good morning, Verita Carmichael, human resources director. MR. Good morning, Lamar Jacobs, Director of Security and Investigations. MS. Good morning, Victoria Burgess, Director of Marketing and Public Relations. MR. Good morning, Enoch Noel, Director of Information Technology. MR. Thank you. We also have two individuals who are going to be participating virtually.

0:24:09 sir benjamin good morning dwayne benjamin executive deputy executive director you also have mr watson no miss proctor miss proctor hi good morning charlene proctor chief financial officer okay that's it for you yep okay okay you may proceed with your testimony sure Good morning, the Honorable Kurt Ville, Chairman of the Committee on Finance, members of the Committee on Finance, and other senators present.

0:24:50 Good morning to my lottery family, our awesome dealers, members of the VI Lottery Commission, the lottery leadership appearing virtually, and to the listening and viewing audience. I am Raymond J. Williams, Executive Director of the VI Lottery. In attendance with me today, either in person or virtually, to present our fiscal year 2023 budget for review are Mr. Duane Benjamin, Deputy Executive Director, Ms. Shallon Proctor, Chief Financial Officer, Ms. Verita Carmichael, Human Resources Director, Ms. Monique Wena, my confidential executive assistant, Mr. Enoch Noel, Director of Information Technology, Ms. Victoria Burgess, Director of Marketing and Public Relations, and Mr. Lamar Jacobs, Director of Security and Investigation. Let me start by saying a big thank you to my VIA Lottery family, the Virgin Islands Lottery Commission, and our dealers. Without them, our program would not be as successful as it is today.

0:26:12 I also want to take this opportunity to congratulate our 2022 Employees of the Year. Mr. Lamar Jacobs, Director of Security and Investigations from St. Croix, and Mr. Verne Blasch, Administrative Coordinator, St. Thomas. Today, my objective is to share with you the members of this August body, our continued vision of our wave of opportunity, as I have shared for the last three years since assuming this position. Today we want each of you to appreciate our path forward. We are about to launch yet a new campaign. I am VI Lottery, VI Lottery is me. This new campaign is designed to empower our customers, our residents, and citizens all. We must develop a strong sense of pride in our traditional lottery game. We want everyone to own it and feel it. We must make this product one that suggests we are a part of this enterprise that provides not just a product that generates dollars to pay prizes but a product that gives opportunities for the improvement of all lives throughout the Virgin Islands community.

0:27:48 During FY22, the VI lottery's strongest accomplishment was our ability to consistently generate revenue from our traditional lottery sales of approximately 54 percent. I really wanted to get our new games online within the fiscal year, But because of circumstances beyond my control, we did not make that happen. I do, however, want to report that we have made great strides to ensuring that our contractor for Instant Scratch and other games, that being Caribbean Lottery, are feverishly working to make it a reality. Recently, Commission Chairperson Jennifer O'Neill and I I visited with Caribbean Lottery leadership in Barbados, what is considered the Antillian region for the mother company IGT. Our message was absolutely clear. We want these games developed and rolled out with a sense of exigency. In our meetings, we also discussed other updates to their platform and equipment include better branding in our retail locations. This should be completed, hopefully, by the end of third quarter of FY23. We also had an exchange between the VI Lottery leadership and the Lottery Bureau of Puerto Rico's leadership. We visited with them in the latter part of 2021, and they visited with us in early April of this year. The purpose of the visits was for both teams to learn about each other's operations and management, the similarities and the differences, and most importantly importantly to talk about the illegal sale of their tickets here in the Virgin Islands. The Virgin The New Orleans Lottery Commission convened and approved our FY23 budget on June 14, 2022. In this budget, we have added capacity to host an additional Extra Ordinary Draw, moving it from twice a year to now three times a year. Hopefully, this will enhance our ticket sales and provide yet another opportunity for our customers to win a \$500,000 grand prize. Also in the budget, we have increased the opportunity to award more money to our nonprofits via our scholarship program and to hire additional enforcement officers. Senators, the Virgin Islands Lottery continues to ride on this wave of opportunity.

- 0:30:50 Our vision to make the Virgin Islands Lottery the preeminent game of choice in the Virgin Islands is very much alive. Allow me to highlight a few of our accomplishments and FY23 goals. Division of Administration. Number one, approval and implementation of the memorandum of understanding between the lottery and Tennessee lottery by MUSCL. MUSCL is a multi-state lottery association to host emergency draws in the event that we experience a storm and cannot perform Powerball and Mega Million draws.
- 0:31:35 2. Approval and implementation of our alternative lockdown procedure by MUSCL. 3. Successfully completed MUSCL's review and audit. This is a requirement to maintain our accreditation to participate in the Powerball and Mega Million Games. Number four, Franklin Building potential renovation and relocation of our St. Thomas office. Number five, begin the implementation of our remote Powerball and Mega Million draw operation. Human resources.
- 0:32:20 Number one, the continuation of COVID protocols within our offices. Number two, participation in the Division of Personnel's Health and Wellness Programs. Number three, we completed both union negotiations for our rank and file and supervisors' unions. Number four, we hosted an employee Easter Egg Hunt for employees in both districts. Number five, our Mother's Day Lottery Amazing Race and Scavenger Hunt. Number six, our Father's Day Gift Card Presentation. Number seven, Employee Relations Committee on St. Thomas' Upcoming Social Activity in September. Number eight, our Customer Service, Sexual Harassment in the Workplace, Drug-Free Workplace Trainings will be completed prior to the end of this fiscal year. Number 9, Employee Director Engagement, Dinner with the Director.
- 0:33:32 Number 10, VI Lottery, Employer of Choice, Small Agency, Great Pride. Number 11, succession planning, cross-training of our employees, and number 12, new employee acquisition. Enforcement, officers have been redeployed into the field to perform surveillance and intelligence gathering. Number two, joint law enforcement partnership initiatives, search and seizure of illegal lottery tickets and other gaming devices.
- 0:34:13 Number three, we have purchased new equipment, uniforms, and vehicles for our enforcement team. Number four, we also improved on the law enforcement salaries to make and keep them competitive with other agencies, public and private. Number five, further goal is to hire additional enforcement officers in both districts. Number six, the acquisition of additional surveillance equipment to assist in the generation of search and seizure operations and to gain intelligence. Number seven, more training on case management, tactical skills, and search and seizure procedures and techniques. Number eight, trainings, detective and criminal investigator training by PATC.
- 0:35:19 B, certification in interviewing and advanced interrogation by Reed and Associates. service. D, firearm instructor. This gives our officers the ability to assist post with training territorially. E, enforcement development and enhanced VLT operations policy guidance. F, enforcement of retailer and entertainment and sites, inspections, and form tracking. Number G, officer recruitment, post-certification training. Marketing. Number one, I am Virgin Islands Lottery, Virgin Islands Lottery is me, campaign development.
- 0:36:17 Public, it's a public campaign to develop awareness about illegal games via education and enforcement new game generation. Two, traditional lottery brand loyalty ticket competition. The person with the most tickets, one per draw, wins \$5,000 and the person with the oldest lottery ticket wins a \$1,000 contest in each district. Number three, initiation of the second chance drawing.
- 0:36:57 Number four, the creation of a VI lottery app to secure subscription lottery sales. Number six, further utilization of other technologies to improve our product and sales. Number seven, to enhance our customer and dealer experience in our lobbies. We are about to install seating and a distinct queuing system that will provide our dealers with more comfort and transaction ease.
- 0:37:34 Number eight, the continued relationships with the Division of Festivals at the Department of Labor, I mean Department of Tourism. Number nine, we had 56 applicants for financial scholarships. We approved 47 of them. Several applicants were not nonprofits, so they were denied. I must also note that our application numbers are back to pre-COVID status. Just to highlight a few of those applicants, Fathers in the Community, Christianstead Community Alliance, the Level Up Conference, Access the Racial Health Institute, St. John's School of the Arts, St. John's Singers, VI Children's Museum, Charming Dwellers Majorate Organizations, the V.I. Basketball Federation, the Synchro Track Club, the U.S. V.I. Softball Federation, the V.I. Volleyball Federation, Emancipation Garden Christmas Organization, Healthy Encores, 10 Sleepless Nights, the VI Bowling Federation, and the VI Soccer Federation.
- 0:39:07 Information and Technology. Number one, improvement of ticket printing processes. Number two, the development of a new technology solution that will better incorporate all aspects of accounting, point-of-sale systems, and administration. Number three, the development of a single digital platform. Number four, the use of technology to create a paperless and green environment.

- 0:39:42 And number five, the purchase and deployment of new technological equipment. Some of the conferences and seminars that we've attended is the Cabinet Transformational Leadership Workshops, Global Gaming Exposition, better known as G2E, and NASPEL Professional Development Series, Nassau being the National Association of State Provincial Lotteries. NAGRA is the National Association of Gaming Regulatory Associations.
- 0:40:21 IGAR, International Association of Gaming Regulations. And MUSCL's Directors' Meetings, virtually and in person. Executive Director and Lottery Commission. The Commission and senior staff will be attending a weekend workshop to further develop our policies and procedures, along with some staff development in November. However, we are continuing to review opportunities to restructure our prize points based on community input, focused groups, and market research studies that were performed in FY21.
- 0:41:12 It is our goal to send to the Legislature via the Office of the Governor several amendments to Title 32 that governs the lottery. We have completed our FY20 financial audit done by Bert Smith & Associates. I also want to note that we had no audit exceptions. Number five, Southland Gaming VI has completed and opened their new entertainment center on St. John, known as the Parrot Club, bringing them to a total of three gaming entertainment centers. We also have 39 retailers with 615 active gaming machines, VLTs, between St. Thomas and St. John.
- 0:42:11 Caribbean Lottery, our other contractor, has a total of 60 retailers territory wide. The VI Lottery currently employs 43 persons at an annual salary of \$2,329,801.55, with one vacancy. Our FY22 operating income as of June of this year is \$7,619,580, compared to eight million zero three five one seven zero in FY21. These are just a few of the highlights at the VI Lottery. We will continue to ride the wave of opportunity while maintaining our vision of making the VI Lottery a preeminent game of choice. I have presented our Fiscal Year 23 accomplishments and our FY23 goals and vision.
- 0:43:27 I would like now for our CFO to provide our financial picture for Fiscal Year 23. And after, we will show a video. After that, we will stand ready to answer questions. Thank you. Thank you, Director Williams. You may proceed. Ms. Proctor. Good morning. Good morning, Honorable Kirk VLA, Chairman of the Committee on Finance and members of the Committee of Finance. The Virgin Islands Lottery Commission approved budget for fiscal year 2023 projects total operating revenue totaling \$22,232,866, comprised of the following.
- 0:44:14 Traditional game, \$9,023,175. Compensation from contractors, \$13,288,191. Broken on as follows, South London Gaming, \$11,659,488. Caribbean Lottery Services, \$1,628,703. Other income, \$21,500. Although three extraordinary joints are being budgeted for fiscal year 2023, a 1.49% decrease is budgeted in a traditional game revenue due to an anticipated fiscal year 2022 million dollar joint that was canceled due to COVID-19 pandemic. Additionally, a 4.82% increase in compensation from contractors is projected. Based on current revenue trends and other planned marketing initiatives, the Virgin Islands Lottery is expected to meet its traditional game projected budgeted amount, as indicated above.
- 0:45:22 As of June 30, 2022, revenues totaling \$8,521,304 was generated from the traditional lottery game sales. \$9,580,151 was received from Southland Gaming, and \$1,154,144 was received from Caribbean Lottery Services. Based on actuals as of June 30, 2022, a 15.85% increase in revenues is projected for the traditional lottery game, which is 6.85% less than fiscal year 2021 due to the loss of sales impacted by the pandemic. We are getting back to normal with our revenues, but we are not quite there yet due to other environmental factors. We also project a 10.4% increase in revenue from Southland gaming and a 7.56% increase from Caribbean lottery. Total direct costs are projected at eight million one hundred and sixty two thousand nine hundred and ninety five dollars this includes price expense printing drawing operations power ball mega million drawing costs dealers bonuses and expenses and bonus prizes for extraordinary drawings as a result of in-house printing and reduced transportation costs the virgin islands lottery realized savings in the amount of 160 thousand six hundred fifty seven dollars and ninety one cents working on that for fiscal year twenty twenty one was eighty five thousand nine hundred and eighty two dollars on fiscal year 2022 to date seventy four thousand six hundred and fifty five prior to in-house printing our expected card for this operation to date would have been one hundred and forty nine thousand one hundred and eighty dollars four million two hundred and forty thousand five hundred eighty two dollars
- 0:47:20 is budgeted for salaries and benefits inclusive of negotiated employee increases advertising and promotion professional services and other general administrative and capital outlays total three million three hundred and forty three thousand four hundred and eighty dollars total operating expenses are projected at fifteen million seven hundred and forty seven thousand fifty dollars with operating income of six million five hundred and eighty five thousand eight hundred and nine monetary transfers for fiscal year 2023 are projected as follows educational initiative fund and pharmaceutical assistance program one million nine hundred and ninety three thousand two hundred and twenty nine dollars grs retirees bonus fund one million three hundred and twenty eight thousand eight hundred and nineteen dollars persuading improvement fund three hundred and forty nine thousand seven hundred and eighty five dollars although not mandated one hundred thousand is budgeted for the office of veterans affairs for administrative class assistance which results in a total

contribution of five million seven hundred sixty five thousand sixty two dollars to these government programs for fiscal year 2023 today an appropriation to the office of veterans affairs have been made in the amount of fifty thousand based on the request and a total of four million three hundred and seven thousand eight hundred and thirteen dollars was paid in mandated transfers to date for fiscal year 2022 which is broken down as follows educational initiative Fund and Pharmaceutical Assistance Program, \$1,610,149. GLS Retiree's Bonus Fund, \$1,073,433. Horse Racing Improvement Fund, \$14,082. The Virgin Islands Lottery projected total expense of \$21,426,518 with an income of \$906,348 for fiscal year 2023.

- 0:49:31 Thank you so much, Ms. Proctor, and thank you, Director Williams. We're going to go straight into a six-minute round, colleagues. We have the video. Oh, you have a video you want to share? Sure. Okay, let's, media. This is Burgess. Good morning. Good morning, Victoria Burgess, Director of Marketing and Public Relations. So the campaign that you guys will be seeing us roll about in the upcoming months is broken down into two portions. The first portion is to educate the public about illegal gaming and the negative impact that it has on our community, not only economically but socially via the crimes that it's linked to. And the second portion is meant to instill a sense of pride for the Virgin Islands Lottery game. From 1938, under Governor Kramer, Virgin Islands Lottery was created to provide opportunity for Virgin Islanders, and to this day it continues to do so. We are the oldest continuous lottery in the United States and that's something that we should be proud of and we want to share that message with the community and make sure that they have a sense of ownership for the game as well. So what we're going to be showing you today is just a sneak peek of the enforcement portion, the messaging that we want to get out to the community. It is my duty to target, identify, and disrupt any illegal lotteries not sanctioned by the Virgin Islands Lottery. Recent data from a study shows we are currently losing \$80 million a year from illegal lotteries that are unsanctioned and unregulated. The Virgin Islands Lottery Division of Security and Investigation is taking a proactive approach as we target and disrupt illegal gaming in the territory. We have partnered with the Department of Justice as we strengthen our laws. We utilize the good relationship that we have with our first line of defense which is our dealers. Justice will be served to those who continue to support illegal gaming in the territory. If you are aware of any illegal activity you can leave that
- 0:51:35 information on our website www.WinUSBILottery.com or you could leave a tip on our tip line at 778-6360 Support. Report. Defend. Based on the Virgin Islands Code, any game of chance not sanctioned by the Virgin Islands Lottery is deemed illegal. These funds that leave the territory untaxed and unregulated support a myriad of criminal activity.
- 0:52:16 This includes prostitution, human trafficking, drug smuggling, and money laundering. Real lottery games can be easily identified in the Virgin Islands. The traditional lottery, which is sold by the Virgin Islands Lottery, or games from Caribbean Lottery. This includes Powerball, Mega Millions, Kino, Pick 4, and Scratch and Win games. If you are aware of any illegal activity, you can leave that information on our website. www.winusvilottery.com i'm doing my part now i need you to do yours support report defend thank you so much director williams you have a next video that's it we're going to preview this i thought you were going to put out the i am lottery a lot more work coming. Colleagues, we are going to go to a six-minute round. I want to also welcome Senator Kerry Young. Madam Clerk, please put him as present, and Senator Jay Van James, please put him as present. We will begin with a six-minute round and we have Senator Blyden who's participating virtually today. He's going to leave it off. Senator Blyden, don't do it you recognize thank you so much mr chair good morning to my colleagues the viewed entertainment audiences staff central staff good morning director williams good morning thank you so much for that most comprehensive testimony i appreciate the data and the numbers that you um put forward um you're on point today thank you for that i also want to stop by saying congratulations to mr jacobson and ms blash both of them are employees of the year and i want to congratulate them and thank them for the work they do and to continue doing a great work um on behalf of the virgin islands lottery um let me go to the numbers miss proctor good morning let me ask because you spoke to um environmental factors that are affecting um
- 0:54:29 some of your revenues what what what what factors are we speaking to succinctly can you speak to that please you want me to answer that no miss parker let me start to answer since she's the one that brought it up all right good morning senator blighting thank you for your question some of the things that we had is where we had to close due to covid and um just the bare fact of how we live in right now okay very well um director williams also um you spoke to the the three drawings and three special drawings and the impact of some million-dollar loss in respect to that.
- 0:55:12 I know that in post our report is showing in terms of traditional games we have a decrease there of some two million dollars. Can you speak to that briefly? Yeah so the board approved an additional, we call it the EX Draw, Extraordinary Draw, and the objective there is to help to raise additional revenue. When we normally do the EX Drawing, we can sell anywhere in the neighborhood of 60 to almost 72. I think the very last one we did is about 82 percent of our tickets were sold, so the objective is to repeat. That's like the prices are the attraction, the prices being the \$500,000 as a major price,

and then the raffles also helped to enhance that.

0:56:05 Relative to the loss, the lottery had budgeted and planned to host an activity last December, and we're working. I have my director of marketing working on hopefully putting on is that initiative this year and the initiative is to host a ball drop activity similar to that of the New York ball drop that you see on the first of the year our objective is to do multiple sales at a time that activity the the grand price of that activity will be a million dollars of coaching like pay 30 dollars or take it now but um the objective is to generate the level of revenue um that we would have in in the last if we had been able to conduct that process last um january one of this year anyway and in speaking to you as you spoke in your testimony to the third quarter of 2023 when it comes to um branding and advertisement what what's the but what does the budget look like in terms in terms of branding and advertisement.

0:57:18 I'm going to yield to Victoria. Okay, just to clarify your question, you're asking what those funds are going to be allocated, how those funds are going to be allocated? No, I know not how they're going to be allocated, what the budget looks like in terms of branding and advertising because we know marketing plays a great role when it comes to advertising. What does the budget look like for that portion? Two minutes.

0:57:49 Okay, let me, if I understand your question, the branding portion of it will cover the expenses of the new creation of our vision. It will cover all of our EX drawing activities, where we do giveaways and things like that. So primarily that's where those dollars are spent. Okay, very well. I know that it's showing that you have three vacancies when it comes to your board. Where are those vacancies located, St. Thomas, how much is in St. Thomas, how much is in St. Croix? And what are the chances of those vacancies? I think it's one of each. Both on St. Croix.

0:58:33 We had one member died last year, this year, actually. And we have another two that are, the time are up, but, you know, we've sent names up to the governor for replacements or for additional terms, and we're waiting for that to go through that process. And you also spoke to your employees. You have 43 employees, and you have one vacancy. What is that position? It's a cashier two position on St. Thomas.

0:59:08 Yes, we promoted an employee in St. Thomas from a cashier three to an assistant supervisor. So that created a vacancy for a cashier two. Are you in the process of filling a vacancy, correct? Yes, we are. Okay, and let's talk about your contractors, the frontline individuals who push your tickets. and you spoke to trying to onboard four extra contractors for 23 fiscal year. I know you spoke of the relationship you have with the contractors. Where did you get that magic number from four? Okay, I don't understand. What four contractors are you talking about? We only have two contractors. I don't know if you're speaking about our dealers. Yes, the dealers.

0:59:55 Sorry. The dealers, yes, yes, director, the dealers I'm speaking to. okay um what specifically about the dealers i don't know you spoke your testimony i believe that you say you want to have four extra um for the 23 fiscal year so did you mention that no i don't recall speaking to four additional dealers okay i stand i stand corrected i could have sworn i heard you say that and lastly um to change clothing training i know you spoke i mean testimony about training um for the employees etc how often do you the training for the employees and what the costs on an annual basis when it comes to training?

1:00:33 I can't give you costs specifically, but I know Mr. Carmichael was responsible for how our training processes work. The different leadership team members would request specific type trainings that are germane to their divisions, but all of it has to filter through HR. And HR is key for planning all of the other what i use i like to use the word mandatory trainings sexual harassment drugs and workplace um eap referrals whatever those might be so that's where you'll see budgeted the amount i think is like 60 or something thousand dollars for those on off island trainings as well thank you so much for responding and thank you so much for the chair for the time thank you thank you senator blyton your total number of employees you said is 47 no 43 it was 47 last year i believe okay but you're not seeking to fill how many vacancies you're projecting for fy 23 um the cashier position we're also looking to add two additional law enforcement personnel and um a senior internal control specialist oh no that one we have that budgeted but um in speaking with our um bert smith and associates what they recommend that that that position should fall under the board and not under the purview of the um the my um leadership yes okay but it would still be funded in your budget just fall under the purview of the board correct okay and your breakdown of positions by district how many employees and in the

1:02:20 st thomas and john district how many employees on st croix mr carmichael good morning uh verita carmichael human resources uh director exempt employees 27 The breakdown for that is on St. Thomas at 17, St. Croix 10. On St. Croix, we have 11 classified employees and 5 classified on St. Croix. A total of 16. Classified, how much on St. Croix?

1:02:56 Classified is 5 on St. Croix. And how much on St. Thomas? 11. okay so overall 28 positions st thomas 15 st croix that's correct thank you senator de graff you recognize thank you mr chair good morning colleagues good morning testifiers all of you listening and present. I see wage increases. But your chief of law enforcement is the only person I don't see get a

wage increase. Because that position is being transitioned. That person is no longer going to be employed with the VI lottery. That person is being transitioned out of the V.A. lottery. So we will have an opportunity to hire a chief of enforcement.

1:03:52 And the position will receive a wage increase? No, it's a new person coming into the position. Okay, so that one's staying. Okay, so also I see where you have some enforcement vacancies that are a higher salary than enforcement where you have a fill spot. One enforcement obviously about 45. Okay, so we, those positions are new positions that are, have been added to enforcement officers. Within this fiscal year, we've improved the salaries of our current enforcement officers twice. And they're now standing somewhere at around \$55,000 each. Also, so the numbers we have in here on the current. Because those. In the post-advocacy report, you have a copy of it? Yeah. So the numbers for the increases for enforcement officers, it ain't 55. It's now at 55. That's just recent. Okay. So then it's two raises. It went from 47 to 49 out of 55? Absolutely correct. Okay. So then the whole listing here is off then?

1:05:01 No, not the entire listing. Just those two positions probably. But if you were to look Um, uh, Ms. Proctor, you want to take that one? Yes. Good morning. Senator DeGroff, we pitch a question, please. I, I, I have in the post auditor's report, the two enforcement officers at 49, 7, 43, 72. Uh, I'm being told now it's 55 for those two. Okay. Um, when I prepared the budget, they would, the currents, the budget was prepared at current salary with with the proposed increases as the director just explained the increases only took effect August 15th after the completion of the budget but but you said the current salary what was the current salary 55 no no it's currently at 55 and now as of August 15th um the current salaries the enforcement officers currently was at 47 000 when the budget was prepared so now you have an enforcement officer no sorry 47 8 30 50 sorry right for those two in particular then they went to 49 47 let me clarify one was at 47 two was at 47 8 30 50 and three of been moved to \$55,000. Right okay so from the \$47,000 to \$49,000 to \$55,000, correct? Correct. Okay then you have an enforcement officer St. Croix filled \$38,000 to \$45,000 but you have two enforcement vacant spots at \$47,000 above that officer that's filled. Yes. So the one position that has been filled on St. Croix that individual is in the post class presently so she came in at that salary. And after successful completion, we have to adjust our salary as well. The other two positions, remember, the other two positions was just added to the budget for the additional two enforcement officers.

1:07:09 I got you. I'm just looking at terms of how much. So the post officer would go to what salary? Currently, what is the salary? I think it's \$43,000. \$35,000. \$35,000. After successful completion, we'll more than likely take up to \$47,000. two minutes okay yeah okay i'll come back uh what i want in in regards to sales i think it was the post audit report i believe it was page five where so it showed that the licensing fees uh the licensing fees and stuff remain the same licensing and permit fees projection for 2022 budget and 23 19 000. that's 19 000 in terms of the fees remaining the same but you'll say you showed a decrease in overall sales of total amount of again page page 5 we say revenues license and permit fees 22 and 23 from 1900 19,000 remain 19,000 that's a projection projection yeah okay so we are saying your fees overall fees a collection of revenues overall estimation went down well and remember no our numbers reflect through June so we still have several months in the fiscal year I anticipate that most of these numbers will go beyond FY22. Okay what type of projections have we seen from Southland Gaming on St. John itself since they opened or what you're looking at from them? I can't give you an exact number right since they just opened but if you give me a minute I'm gonna look through to see what our revenues we look at revenues for entertainment centers on a weekly basis generally so um give me a minute let me see

1:09:08 if i can okay and i guess before my time run out in regards to the training for is are your enforcement officers back up and full operation right now yes director jacobson and and how many of them individually or as a team have gone training what trainings have each of them taken Not each per se, but I mean for them to get them back up to par and then going forward. Good morning. Lamar Jacobs, Director of Security and Investigation. To answer your question, Senator, all officers have gone to trainings anywhere from advanced interrogation, case management, tactical training, search and arrest, warrant training. forward we're going to be doing a lot more technological based training in terms of surveillance, upgrading our ability to see what's going on out there. Okay and finally get them training and testifying in court because that's going to win the case. Not a day alone but it all enforcement officers should have that particular training. Thank you for the time Mr. Chair. Can I just answer the last question on the power club. So for the power club as a let's say 731 they have net revenues of seventy three thousand dollars seven hundred and fifty eight cents just say it again seven three seven three seven five eight eight three and that was just for that one single week effective 725 to 731 for one week What is the split in that? What is the split that the lottery get? How much does?

1:10:58 Okay, so where it comes to entertainment centers, anything up to \$300,000, we get 32%. Anything over, I mean, between \$300,000 and \$600,000, we get 37.5%. And anything over \$600,000, we get 50%. Okay, so you're projecting that with this particular establishment, they're going to be over 600,000.

- 1:11:26 I hope. Well, based on the numbers of one-week numbers, in 10 weeks, they're over, in nine weeks. Well, I always remember, you know, the knownness of it, yeah. Yeah, but I was using the word environmental impact, you know, people coming through the tour season, as opposed to people playing in the district or on the island, it can vary. Okay. Even if those numbers cut in half, you know, these and 52 Weeks Week are going to easily surpass the 600,000, so we should be able to get 50% of that. What's your average ticket sales for drawing?
- 1:12:12 Percentage-wise, like I stated, around 54. It can fluctuate from 52 to 60 or 62. It varies by draw. And that's 30,000 tickets printed? Not printed. We only print what we sell. Okay. And you have the capacity to sell 30,000? 34,000. 34,000. Mm-hmm. Okay.
- 1:12:39 You're averaging like a little bit of- Commerce 18,000. Okay. Yeah. Your number, you said 615 gaming machines among 39 retail spots. That 615 is inclusive of the entertainment centers? No. Those are just strictly retailers. So tell me the entertainment centers total now. Total number of pieces of equipment? Yes. I don't know that number often. Can somebody get it? Does anybody get it? We have two entertainments in St. Thomas and one in St. John. Yeah, we have three that. Okay, so I'll go on to the next senator and if you could have one of your staff provide you with that number.
- 1:13:25 Senator Saro, you're recognized. Thank you. Thank you, Mr. Chan. to all. Director Williams, the PAP funds, the Pharmaceutical Assistance Program funds, that's our roll over from last year or that is the amount? No, that's one of our mandatory transfers. Okay, so that's for this fiscal year? Yes, that's why, yes. And it's 1.9, right? That's right. Yes. No, I think it's, Ms. Frazier, that was, that's what's projected for 23. I think the, um, 1.6? I think that's a different number.
- 1:14:08 Yeah, I'm going to tell you now. Morning, Senator Starou. We have paid \$1,610,149 so far in the pharmaceutical assistance funds. Okay. To include even the educational initiative fund as well. Those two are, I think, at 15% of our revenue base. Okay, the impressed funds. Okay, got it. I just wanted to say, was our rollover?
- 1:14:38 Because when we crafted, when we expanded our legislation, there was some rollover funds. Clearly, they weren't being spent. So at the end of the 1.6 was actuals or? That's actual to date for the fiscal year. There's more than likely going to be another payment. Okay. Mr. Jacobs, how long have you, you know, have you um deployed your enforcement officers as of when because it seems to be recent good morning senator the enforcement team has been deployed from last year upwards of about six months six months okay now are any of your lottery officers post certified right now yes ma'am everyone currently on board is post certified and we have one more getting ready to common of the um academy and st croix okay are they attending trainings yes ma'am how many i don't see um where where are you and your expenses where do you where is the training budget all the trainings that rolled up under hr hr and what is that amount i don't see it that's why um miss proctor can you give the number for the training on the hr please The training budget is a total of \$80,000 for security and investigations. It's budgeted at \$12,000. So security gets \$12,000 for trainings?
- 1:16:07 Yes. How often do you go to training? So training is again, it's identified based on as soon as the officers are available to travel out. So far we have had each officer on board right now, within the year that I've been here, has went to two trainings stateside, they've done detective and criminal investigator training, they've done certification in advanced interrogation by Reed and Associates, locally with posts we've done warrant service training and we'll also have done firearm instructor training. Okay, I'm just making sure you have a very specialized job, so after you finish the academy and everything else, it's imperative that training takes place. Now, you hired a lottery chief when? The chief is leaving, but you hired a lottery chief when?
- 1:16:57 Okay, now let me answer that. We haven't hired a new chief yet. We're transitioning. Hold on. When did you hire the lottery chief? About two years ago. Two years ago. Yeah, I think, yeah. Okay. Was the lottery chief post-certified? No. Okay. Was he denied law enforcement status? Okay, so was he denied? Law enforcement status. What do you mean by denied law enforcement? I don't know. After not being post-certified, you could still have a hearing and be given some law enforcement privileges. So I'll go this far with that. the officer was given um let's use the word due process um through the post council okay so when did post make the determination that he was not qualified um that's a few months ago november right roughly i don't remember exactly mr jacobs is not in november 2021 yes ma'am so your director your lottery chief was denied post in 2021 two minutes all right so can you explain to me why if that lottery chief was denied post in 2021 why was the lottery chief still collecting a paycheck up until the 11th of this month um that was a determination made in house by me um we so you pay somebody hold on mr williams so we say somebody's not qualified to be the lottery chief but we still give them a full paycheck from november until the last pay period for not having done anything based on their position and now today we're seeing they're transitioning somewhere else is that okay it's not okay senator but um there are other um pieces to that that i i literally i'm not gonna get into um why the process has taken the point in time but a period of time is

- 1:19:04 it's taken we paid nine we're paying an employee for nine months roughly a full paycheck do you Do you know how that demoralizes or how that impacts employee morale? So today, I think it was disingenuous to say, oh, the chief is, we're getting a new chief. But we were paying a chief for not being a chief. So how was it disingenuous? Because the truth wasn't all. I had to pull it from you just now. And you may disagree with me, and I know the finance chair is there. But this practice cannot continue in government.
- 1:19:37 That's defrauding the government of the Virgin Islands. So, I need to understand, Mr. Jacobs, how were you signing this man's time every two weeks? And who was above you signing his paycheck and approving his time every two weeks? And how was he even given a check every two weeks for nine months having never worked from November 2021 because they were post-certified? That is criminal. Mr. Chair, thank you for the time.
- 1:20:06 Thank you. And the answer to- One second, I think we have lost, let me check, I think we have lost St. Thomas. This committee stands in recess for two minutes. Okay. Thank you. We'll be right back. Thank you. We'll be right back. We'll be right back. We'll be right back. We'll be right back. We'll be right back. We'll be right back. We'll be right back.
- 1:26:09 Let's get started. Thank you. We'll be right back. [3 such phrases repeated 10 times · standby audio before the proceeding, transcribed by the recogniser as speech]
- 1:31:09 Thank you. We'll be right back. [2 such phrases repeated 66 times · standby audio before the proceeding, transcribed by the recogniser as speech]

People named in this transcript

SUSPECTED, and a finding aid only. Names were matched by machine against the spellings used across all 426 of our transcripts, and the title is the one used in the room. Being named here is NOT evidence that a person attended or spoke · only that the name was said. Speech recognition mishears names, so a spelling may be wrong even where no alternative is offered.

- 4x **Senator Dwayne DeGraff**
heard in this transcript as: DeGraff, DeGroff, Dwayne M. DeGraff
- 4x **Senator Marvin Blyden**
heard in this transcript as: Blyden
- 3x **Senator Fred Gregory**
the surname alone also matches: Donna A. Frett-Gregory; Donna Frett-Gregory
- 3x **Senator Javan James**
heard in this transcript as: Javon E. James Sr, Jay Van James
- 3x **Senator Kurt Violet**
heard in this transcript as: Kurt A. Violet, Violet
- 3x **Senator Samuel Carrion**
heard in this transcript as: Carrion
- 2x **Senator Janelle K. Saro**
heard in this transcript as: Saro
- 2x **Senator Kerry Young**
- 2x **Senator Marise C. James**
the surname alone also matches: Javan James; Giovanni James Sr
heard in this transcript as: James Sr
- 1x **Senator Donna A. Frett-Gregory**
heard in this transcript as: Donna A. Fred Gregory
- 1x **Senator Donna Frett-Gregory**
heard in this transcript as: Donna A. Frett-Gregory